

1.94

DIV Ma to
New England

SUBSTITUTE PROPOSED MARKETING AGREEMENT FOR NEW ENGLAND

LIBRARY
RECEIVED
★ SEP 20 1933 ★
Department of Agriculture

Tentative draft of a proposed substitute offered by Bellows Falls Cooperative Creamery, Inc., Bellows Falls, Vt.; United Farmers Cooperative Creamery Assoc., Charlestown, Mass.; Milton Cooperative Creamery Assoc., Milton, Vermont; Association of Proprietary Creameries, Waterbury, Conn.

The following words and phrases when used in this agreement shall be defined as follows, viz:-

1. "Producer" or "Producers" means and includes any person, association, partnership or cooperative Corporation organized and operated as pure cooperatives within the requirements of the Capper-Volstead Act, and associations comprised of such Corporations and/or Associations, producing Class 1 Milk which is sold and consumed in the SEVERAL MARKETS OF NEW ENGLAND, who become parties to this agreement in accordance with the terms thereof.
2. "Dealer" or "Dealers" means and includes all persons, partnerships, associations and corporations purchasing for resale at retail and/or wholesale Class 1 Milk in the SEVERAL MARKETS OF NEW ENGLAND who become parties to this agreement in accordance with the terms thereof.
3. "Proprietary Creameries" means all persons, associations, private corporations and partnerships situate without the GREATER BOSTON MARKET who buy from and handle Class 1 milk for producers or farmers in their respective vicinities and sell the same for resale in said SEVERAL MARKETS OF NEW ENGLAND.
4. "Class 1 Milk" means all milk finally disposed of as fluid milk to consumers at wholesale or retail.
5. "Surplus Milk" means all milk other than milk defined as Class 1.
6. "Farmer" means all persons and partnerships or corporations operating farms and producing Class 1 milk to be sold, handled, processed or distributed to, by, or through any Producers, Dealer, and/or Proprietary Creamery.
7. "GREATER BOSTON MARKET" means the City of Boston and certain adjacent territory, being the area shaded in red upon the map hereto attached as Exhibit _____.
8. "Secretary" means the Secretary of Agriculture of the United States.
9. "Act" means the Act of Congress "To relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes, "approved May 12, 1933.

Marketing Agreement - 2

The parties to this agreement are such "Producers", "Dealers, and "Proprietary Creameries", and the "Secretary" as shall sign an original printed copy of this agreement, which shall be filed in the Office of the Secretary of Agriculture of the United States, together with all such persons, partnerships and corporations shipping to or selling in said SEVERAL MARKETS OF NEW ENGLAND and coming within the foregoing definitions as shall become parties hereto by signing a printed copy of this agreement, and depositing the same in the Office of the Secretary of Agriculture of the United States to be attached to said original. All parties signatory to this agreement hereby agree to and do obligate themselves in accordance with the terms of this agreement to any and all such subsequent parties signatory to this agreement, and all such subsequent signatories likewise, and to the extent of the terms of this agreement obligate themselves to each and all of said other parties hereto, and to all subsequent signatories.

WHEREAS, pursuant to the provisions of the ACT, the parties here-to desire to enter into a marketing agreement under the provisions of Sec. 8 (2) of the ACT for the purpose of stabilizing prices paid to the producer for CLASS 1 MILK sold in the SEVERAL MARKETS OF NEW ENGLAND, and for stabilizing prices paid in said market for said CLASS 1 MILK by wholesale and retail consumers to the end that present existing conditions in said market may be improved in the interests of the parties hereto and of same consumers, and

WHEREAS, said CLASS 1 MILK produced for marketing and distribution in said SEVERAL MARKETS OF NEW ENGLAND enters into both the current of Inter-State Commerce, and the current of Intra-State Commerce, the volume of each current being extremely difficult, if not impossible to separate;

NOW THEREFORE, in consideration of the premises, the mutual covenants of the parties hereto, and the benefits of the aforesaid desired stabilization made possible by the Act, each of said parties hereby covenants and agrees with each, and with all of the other parties hereto jointly, and all of said parties both jointly and severally hereby agree and covenant with the SECRETARY specifically as follows, viz:

THE PRODUCERS AGREE

1. To sell and deliver CLASS 1 MILK to the DEALERS in quantity equal to the requirements of each DEALER as expressed in present existing or subsequent sales agreements between the several DEALERS and the several PRODUCERS at a price F.O.B. Boston, Mass., which after deductions for transportation, services, processing and adjustments to reflect differences in geographical location, butter fat test and the like, shall net the minimum zone price to the FARMER F.O.B. country station platform set forth in the schedule or prices attached hereto and market Exhibit _____;

2. To furnish such DEALER'S requirements of CLASS 1 MILK of such quality when received by the DEALER as shall conform to the requirements of the laws and regulations of both the state and municipality where produced and where it is to be sold to wholesale and/or retail consumers; EXCEPT where higher standards of quality are specified in sales agreements, then such milk shall conform to such DEALER'S standards, and the price to be paid therefor to be in accordance with Exhibit _____ hereto attached.

3. That if the PRODUCER shall sell any CLASS 1 MILK directly to wholesale or retail consumers, or shall distribute any such milk through his agents to such wholesale or retail consumers, the price of such wholesale or retail consumers shall not be less than the wholesale and retail price set forth in Exhibit _____ attached hereto, or if so sold or distributed in any New England market outside the GREATER BOSTON MARKET, except Connecticut, then the price shall be the wholesale or retail consumer's price established for such outside market; until there is an established price for such outside market, such price shall be fixed by the SECRETARY.

4. That milk from any FARMER now or in the future regularly supplying any DEALER or PROPRIETARY CREAMERY shall not be diverted by any PRODUCER without the consent of such DEALER, or PROPRIETARY CREAMERY or by order of the SECRETARY after hearing;

5. That any CLASS 1 MILK sold to DEALERS for resale to wholesale or retail consumers in markets outside the GREATER BOSTON MARKET, except Connecticut, shall be sold at such price as to net not less than the CLASS 1 price to FARMERS which is established and then obtaining in the market where such milk is to be so resold; and any CLASS 1 MILK sold directly or through agents to wholesale or retail consumers in such outside markets shall be sold at not less than the wholesale and retail prices established and then obtaining in such outside markets. Until such prices are established in such outside markets, such prices shall be fixed by the SECRETARY.

PROPRIETARY CREAMERIES AGREE

1. To purchase all milk of a quality as hereinbefore specified produced by each FARMER now delivering to the several PROPRIETARY CREAMERIES, and by such other FARMERS from time to time subsequently to this agreement as may so deliver their milk by mutual agreement; and to pay not less than the minimum CLASS 1 price as specified in Exhibit _____ hereto attached for such proportion thereof as each such FARMER shall be entitled as hereinafter provided; and to pay for the balance of such milk so delivered at the established SURPLUS MILK price, both such minimum prices to be F.O.B. PROPRIETARY CREAMERY platform;

Proprietary Creameries - 2

2. That if the PROPRIETARY CREAMERIES shall sell any CLASS 1 MILK directly to wholesale or retail consumers, or shall distribute any such milk through its agents to such wholesale or retail consumers, the price to such wholesale or retail consumers shall not be less than the wholesale and retail price set forth in Exhibit _____ attached hereto, or if so sold or distributed in any New England market outside the GREATER BOSTON MARKET, except Connecticut, then the price shall be the wholesale or retail consumer's price established for such outside market; until the price is established for such outside market, such price shall be fixed by the SECRETARY;
3. That any CLASS 1 milk sold to DEALERS for resale to wholesale or retail consumers in markets outside the GREATER BOSTON MARKET, except Connecticut, shall be sold at such price as to net not less than the CLASS 1 price to FARMERS which is established and then obtaining in the market where such milk is to be so resold; and any CLASS 1 MILK sold directly or through agents to wholesale or retail consumers in such outside markets shall be sold at not less than the wholesale and retail prices established and then obtaining in such outside markets. Until such prices are established in such outside markets, such prices shall be fixed by the SECRETARY;
4. That all CLASS 1 MILK sold for resale, or sold directly, or through agents to wholesale or retail consumers in any market outside the GREATER BOSTON MARKET, except Connecticut, shall be paid for to the FARMER at the minimum price established for CLASS 1 MILK in the GREATER BOSTON MARKET adjusted to reflect any difference between the wholesale and retail price established for such outside market and the wholesale and retail prices established for the GREATER BOSTON MARKET. Until such prices are established in such outside markets, such prices shall be fixed by the SECRETARY.

THE DEALERS AGREE

1. To purchase all the milk of a quality as hereinbefore specified produced by each FARMER whose milk is now delivered to the several DEALERS, and by such other FARMERS from time to time subsequently to this agreement whose milk may be delivered to the several DEALERS, or any of them, under mutual agreement with such FARMER, with any marketing agency of which such FARMER is a member, or with any PRODUCER or PROPRIETARY CREAMERY; and to pay such price F.O.B. Boston as will net not less than the minimum CLASS 1 price as specified in Exhibit _____ hereto attached for such proportion thereof as each such FARMER shall be entitled as hereinafter provided; and to pay for the balance of such milk so delivered at the established SURPLUS MILK price, both such minimum prices to be adjusted F.O.B. DEALER'S, PRODUCER'S or PROPRIETARY CREAMERY'S country station platform;

2. That if the DEALER shall sell any CLASS 1 MILK directly to wholesale or retail consumers, or shall distribute any such milk through its agents to such wholesale or retail consumers, the price to such wholesale or retail consumers shall not be less than the wholesale and retail price set forth in Exhibit _____ attached hereto, or if so sold or distributed in any New England market outside the GREATER BOSTON MARKET, except Connecticut, then the price shall be the wholesale or retail consumer's price established for such outside market; until there is an established price in such outside market, such price shall be fixed by the SECRETARY;

3. That all CLASS 1 MILK sold for resale, or sold directly, or through agents to wholesale or retail consumers in any market outside the GREATER BOSTON MARKET, except Connecticut, shall be paid for to the FARMER at such price as to net the minimum price established for CLASS 1 MILK in the GREATER BOSTON MARKET adjusted to reflect any difference between the wholesale and retail prices established for such outside market and the wholesale and retail prices established for the GREATER BOSTON MARKET. Until there is an established price for such outside market, such price shall be fixed by the SECRETARY.

MUTUAL STIPULATION.

In order to encourage the establishment and maintenance of a fair balance between the production and consumption of milk, and to obtain and secure for each FARMER equitable treatment in the SEVERAL MARKETS OF NEW ENGLAND;

IT IS HEREBY MUTUALLY AGREED and understood by and between each and all of the parties hereto jointly and severally as follows, viz:

1. The word "Group" as hereinafter used means any number of persons who are engaged in the production of agricultural products as FARMERS who are acting together, or may subsequently act together in an association, corporate or otherwise with or without capital stock, in collectively processing, preparing for market, handling and marketing in Inter-State or foreign commerce such products of persons so engaged, and operated for the mutual benefit of the members thereof, and conforming to the requirements of the Capper-Volstead Act; and/or any two or more such associations as may become associated together by incorporation or otherwise for the purpose of having a marketing agency in common; and/or any proprietary creamery as hereinbefore defined and/or any association, corporate or otherwise, composed of two or more of such PROPRIETARY CREAMERIES.

2. That each group whose milk is actually qualified for delivery to the market for which it is produced shall be given a base. Such base shall be a proportion of its total production equal in percentage to the relationship which the total average monthly sales of CLASS 1 MILK in the GREATER BOSTON MARKET and non-GREATER BOSTON MARKETS during the base period hereinafter specified bears to the total production of milk for such markets during said base period;

Mutual Stipulation - 2

3. That the BASE PERIOD specified in the preceding paragraph is July 1 to December 31, 1932 inclusive, and the same period in each following year.

4. That the percentage of SURPLUS MILK incident to the base period should not be increased. To this end any party hereto may refuse to accept from any FARMER or any PRODUCER any increase over his current production which if disposed of in the market would increase said percentage of surplus;

5. That there shall be allowed no special or other discounts or rebates from the prices specified in Exhibit _____ attached hereto; nor shall any FARMER or PRODUCER be paid, allowed or given any monetary inducement for delivery of milk to any receiver of same; and Exhibit _____ attached hereto entitled "Code of Ethics" shall be accepted and adopted as controlling the ethical practices of said parties;

6. That parties to this agreement receiving milk from FARMERS may continue severally their usual methods of payment for such milk; PROVIDED NEVERTHELESS that when differences in method of payment are reconciled and adjusted to reflect differences in geographical location, service rendered in manufacturing and processing, transportation, and difference in butterfat test and the like, to a comparable basis at the country receiving station platform, which is a point common to all receivers of milk, the net price for CLASS 1 MILK to the FARMER F.O.B. said platform shall not be less than the price specified in Exhibit _____;

7. That the price to be paid for SURPLUS MILK under the terms of this agreement shall be as specified in Exhibit _____ attached hereto.

8. That any price specified in Exhibit _____ may be changed as market conditions and attainment of the object and purpose of the ACT may dictate by agreement of parties, or by the SECRETARY after hearing.

9. Each GROUP shall allocate a rating to each of its members or shall adopt equally effective methods of equalizing the sales; to the end that all FARMERS supplying milk to such GROUP may be treated equitably with respect to sharing the proportion of group-production sold as CLASS 1 MILK.

10. That the parties hereto hereby request the SECRETARY to issue an order under the provisions of the ACT establishing the NEW ENGLAND ADVISORY MILK COUNCIL in terms substantially as follows, viz:-

Section 1. Pursuant to Section 10 of Title I of the Act, there be and hereby is established, with full power of removal reserved, the New England Advisory Milk Council to the Agricultural Adjustment Administration consisting of five members. The initial members shall consist of the present members of the New England Governors' Dairy Advisory and Arbitration Board heretofore appointed by the

respective Governors of Vermont, Massachusetts, New Hampshire, Rhode Island and Maine, to wit:

H. B. Ellenberger, Vermont
Chairman
A. L. Felker, New Hampshire
F. P. Washburn, Maine
Jas. O'Brien, Massachusetts
H. R. Lewis, Rhode Island

In case of any vacancy in the membership of said Council, the Secretary shall have power to appoint a member to fill such vacancy who shall be satisfactory to the Secretary and recommended by the Governor who appointed the predecessor member. The duties of the Council shall be to advise the Secretary on all matters in connection with the New England Milk Shed to the extent that the Council shall deem necessary and proper and to safeguard the interests of the consumer and producer under this contract and otherwise.

11. That the terms of this agreement may become the conditions of licenses to be issued by the Secretary under the provisions of the ACT.

12. That this agreement shall terminate whenever the provisions of the ACT under which it is made cease to be in effect.

